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C O N F I D E N T I A L SECTION 01 OF 03 BAGHDAD 003297

SIPDIS

DEPARTMENT FOR NEA/FO AND NEA/I. NSC FOR PHEE AND VROOMAN.

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TAGS: [IR](#) [IZ](#) [KDEM](#) [PGOV](#) [PREL](#)

SUBJECT: A/S FELTMAN MEETING WITH IRAQI VICE PRESIDENT ADIL  
ABD AL-MAHDI.

Classified By: POLITICAL MINISTER COUNSELOR GARY A. GRAPPO FOR REASONS  
1.4 (B) AND (D)

11. (C) Summary: A/S Feltman on December 15 met with Iraqi Vice President Adil Abd al-Mahdi to offer congratulations on the Iraqi government successfully reaching agreement on an election law compromise and to discuss the road ahead as Iraq prepares for the national election and government formation process. Abd al-Mahdi was optimistic that the government formation process following the national election would be shorter than that following the 2005 elections. With regard to the U.S. role during government formation, Abd al-Mahdi stated that US guidance was welcome and recommended the US government advise the Iraqis to be "inclusive but practical." With regard to Iran, Abd al-Mahdi said that despite divisions within the Iranian leadership, the Iranian government is still making decisions and negotiating decisively, but commented that the June 12, 2009 elections were a turning point in Iranian history. The Vice President also noted that there are subtle indications that the Iranian leadership is opening to the idea of engagement with the United States. End Summary.

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INVESTMENT CONFERENCES AND OIL BIDDING  
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12. (C) The Vice President noted that he had attended multiple investment conferences recently and that the last conference in the United States had gone well. Abd al-Mahdi said that people are much more willing to invest in Iraq now than during 2006-2007 and at times are more optimistic about investment than even the Iraqis.

13. (C) Abd al-Mahdi noted the importance of getting Iraq to become a 10 million barrel-per-day producer of oil. He noted that on December 14 he had sent his congratulations to Prime Minister Nouri al-Maliki and Oil Minister Shahrastani for the successful completion of the second round of oil bidding. Abd al-Mahdi commented, however, that he would like to ask Shahrastani "why he had not allowed the bidding to take place in 2005." The Vice President noted that he had been pushing Maliki for open bidding early on as the best method to boost Iraq's economy, but that the Prime Minister had been hesitant that it would be costly.

14. (C) A/S Feltman stressed the importance of the Iraqi government maintaining its commitment to oil contracts already signed, noting that attempts by the government to renegotiate first round contracts now sends a very bad message. The Vice President agreed that Iraq needs a strong government that is committed and will honor its signature and word, but noted that it was the Prime Minister's Legal

Advisor who was, in fact, attempting to renegotiate contracts.

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ELECTION LAW AND GOVERNMENT FORMATION  
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15. (C) A/S Feltman congratulated and thanked Vice President Abd al-Mahdi for his active role in working to reach an election law compromise and highlighted US engagement relative to the election law as evidence of the ongoing U.S. commitment to and partnership with Iraq. Abd al-Mahdi credited the ultimate compromise reached on the election law to the joint effort put forward by the U.S., UN and Iraq.

16. (C) A/S Feltman asked what Iraq would face in the upcoming government formation process, voicing concern that the period of government formation process, voicing concern that the period of negotiating not be so extended that it created a political vacuum. Abd al-Mahdi thought that the government formation process would be shorter than in 2005, with new coalitions more coherent and already deciding on candidates for Prime Minister. The Vice President noted that once a Prime Minister was decided upon, "the rest would be easy." Additionally, he stated that he believed the next president had already been agreed upon, with the majority wanting to renew President Talabani for a second term.

17. (C) With regard to election integrity, Abd al-Mahdi commented that during the 2005 election the Islamic Supreme Council of Iraq (ISCI) had accepted the election results the day after the election, because its primary goal, ahead of

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dealing with corruption and transparency, was to defend the process. However, he noted, this time it is important to make sure the election is free from party and external interference. (Comment: Since those 2005 elections, when ISCI did quite well, the 2009 provincial election took place, when ISCI performed poorly. That difference likely explains ISCI's shift in position about how much scrutiny it should apply to IHEC and to the issue of election integrity. End Comment.)

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U.S. ROLE IN GOVERNMENT FORMATION PROCESS  
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18. (C) A/S Feltman asked the Vice President what role the U.S. should play during the government formation process, to which Abd al-Mahdi noted that U.S. guidance can be helpful and that the U.S. could play a role in bringing Iraqis to a common perspective. According to Abd al-Mahdi, once there is a winning list, the U.S. could assist by advising the winners "to be inclusive" and by counseling the losers to participate in government formation with minimum conditions to avoid paralyzing the government. Abd al-Mahdi noted that if the State of Law (SOL) or Iraqi National Alliance (INA) won, there would already be a certain level of negotiations with the Kurds, but that it would be more difficult negotiating with Allawi and others. The Vice President said that in Iraq there is no way to lead other than by a national unity government, inclusive of everyone. Additionally, Abd al-Mahdi noted that even if two lists won, there would still not be a majority and other parties and blocs would have to be incorporated.

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PRESIDENCY COUNCIL  
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19. (C) Asked whether he thought it is a good idea to keep the Presidency Council, Abd al-Mahdi stated that he did not. The Vice President acknowledged the need for some mechanism of "checks and balances," but felt it better to follow the presidency concept designed by the constitution. (Note: The

constitution sunsets the Presidency Council after one term and enshrines a much weaker sole President. End Note.) Additionally, the Vice President joked that eliminating the Presidency Council would make it easier to pass legislation and govern, "with no Abd al-Mahdi or Hashimi to veto." (Note: This was a clear reference to the election law negotiations resulting from Vice President Hashimi's veto. End note.) Abd al-Mahdi noted that if consensus was reached to continue the Presidency Council, there should be a referendum on whether to renew the Presidency Council or not, as renewal would require a constitutional amendment, and noted one proposal to hold a referendum the same day as the national election with a yes/no question on whether to renew.

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ISCI'S IMAGE  
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¶10. (C) When asked about the changing tone of recent ISCI statements, Abd al-Mahdi stated that ISCI's image had been deliberately distorted during the last elections and that ISCI had always been a moderate party, even in the 1990s. He noted that ISCI was always accused of being sectarian, but it was an important party in establishing relationships with the Kurds and Sunnis. Abd al-Mahdi said that ISCI should have changed its language and platform after the 2005 elections in response to the changing realities in Iraq, noting that most Qresponse to the changing realities in Iraq, noting that most ISCI leaders also now understand the lesson of losing seats in the 2009 provincial elections. The Vice President additionally noted that ISCI was not alone in revising its party discourse to tone down sectarian emphases and potentially divisive language on religion. He pointed out by way of illustration that the Kurds' rhetoric on religion has also changed, noting that the Kurdish constitution has completely borrowed language from the Iraqi constitution with regard to religion.

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WHY VOTE FOR THE INA?  
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¶11. (C) In looking toward the upcoming national election, A/S Feltman asked the Vice President what undecided voters would find most appealing about ISCI over the SOL list. Abd al-Mahdi said that the SOL is essentially Prime Minister Maliki's "personal" list, whereas the INA is a popular list, with roots among the Iraqi people, and with candidates capable of leading. He noted that on the security issue in particular, the INA can do a better job than Maliki, with both more experience and strong popular support. As an example, he said that Maliki would not have been able to sign the security agreement with the U.S. without ISCI support. Additionally, Abd al-Mahdi mentioned that even if Allawi won, he would need INA support.

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IRANIAN LEADERSHIP AND MESSAGES TO THE U.S.  
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¶12. (C) Abd al-Mahdi commented that during an official visit to France prior to the Iranian election in June, President Sarkozy had asked his predictions regarding the election, and he initially speculated that Ahmadinejad would win. However, after a subsequent trip to Tehran he sent a message to Sarkozy changing his prediction. Abd al-Mahdi had noted a change in the Iranian mood and reported that it was possible that opposition candidate Mir Hussein Mousavi was the more favorable candidate. According to Abd al-Mahdi, Iranian Parliament Speaker Ali Larijani and even some within Iran's Islamic Revolutionary Guard Corps (IRGC) predicted Mousavi would win.

¶13. (C) Abd al-Mahdi said that from his understanding, the Iranian elections were fraudulent. Additionally, he noted that it was a key mistake on Supreme Leader Khamenei's part not to use his pivotal Friday sermon to quiet the situation before student protests began. Abd al-Mahdi said that at that point there was a perception that the state was against the voters, and Khamenei could have corrected it. The Vice President believed that the Iranian elections on June 12 were a key turning point in modern Iranian politics, marking a shift in Iran toward a more democratic system.

¶14. (C) The Vice President said that there are divisions within the Iranian leadership and some hesitation in taking action, but that there is not a leadership vacuum and that one should not conclude based on divisions within the Iranian leadership that the system is weak. Abd al-Mahdi noted that the Iranian government is still respected, making decisions, and negotiating powerfully.

¶15. (C) A/S Feltman noted that the US government had hoped to start seeing progress on engagement with Iran following the P5 1 meeting in Geneva on 1 October, but that agreements the U.S. thought to have been achieved at the time now remain in limbo. Abd al-Mahdi commented that the Iranians are known for patience with their policies, noting that the U.S. must keep trying to engage, but must demonstrate a similar level of patience. He said that the U.S. must work to discourage Iran from perceiving the U.S. as weak relative to the situations in Afghanistan and Pakistan, as such weakness would encourage extremist trends within Iran.

¶16. (C) Additionally, Abd al-Mahdi noted that he can see some moderation, even among the Iranian leadership, with regard to the United States. He noted that Khamenei's messages have Qthe United States. He noted that Khamenei's messages have shown some limited openings with statements such as "the U.S. is our enemy, but(" As further evidence, Abd al-Mahdi noted that two months ago the Canadian Ambassador to Iraq and former Deputy Secretary of Treasury Robert Kimmit had asked him to speak with the Iranians regarding a detained Canadian national, Newsweek journalist Maziar Bahari. Abd al-Mahdi said he spoke with the Iranians and helped secure Bahari's release. Although the individual was a Canadian national, Abd al-Mahdi stressed the significance of the fact that he worked for a U.S. organization.

¶17. (U) A/S Feltman cleared on this cable.  
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